

ROBERT DOUGLASS, SURVIVOR OF DOUGLASS & BEMAN.

[To accompany Bill H. R. No. 516.]

MARCH 30, 1860.

Mr. HELMICK, from the Committee on Post Offices and Post Roads,
made the following

REPORT.

The Committee on Post Offices and Post Roads, to whom was referred the petition of Robert Douglass and David E. Beman, and of Robert Douglass as survivor of Douglass & Beman, asking compensation for carrying the United States mail from Kingsville, in South Carolina, to Augusta, in Georgia, from the 1st day of January, 1855, to the 15th day of January, 1855, and for further relief, &c., respectfully make the following report :

The claimant, Robert Douglass, as survivor of Robert Douglass and David E. Beman, alleges that on or about the 11th day of December, 1854, they, at the instance and request of the Post Office Department of the United States, made a bid for carrying the mail daily each way from Kingsville, South Carolina, to Augusta, Georgia, in four-horse coaches, wagons, or by the best mode of conveyance adapted to the route, for a period of six months, from the 1st day of January, 1855, until the 30th day of June, 1855, at the rate of three hundred dollars per mile. And that on said 11th day of December said bid was accepted by the Post Office Department, with the express understanding that in case of a discontinuance of the service before the 30th day of June, the claimants were to receive, as extra pay, the sum of \$7,500, as will appear by the contract of the claimants with the Post Office Department, and which is in these words :

“POST OFFICE DEPARTMENT,

“Contract Office, December 11, 1854.

“GENTLEMEN : The Postmaster General has accepted your proposition to carry the mail from Kingsville, South Carolina, to Augusta, Georgia, in four-horse coaches, wagons, or by the best mode of conveyance adapted to the route, for six months, from the 1st day of January next until the 30th day of June following, at the rate of three hundred dollars a mile per annum, at the schedule of five miles the

hour, provided that the same can be carried once daily each way in one four-horse coach, wagon, or conveyance best adapted to the route. In case of the discontinuance of the service before the 30th of June next, the extra pay of \$7,500 will be allowed.

"I am, very respectfully, your obedient servant,

"W. H. DUNDAS,

"*Second Assistant Postmaster General.*

"Messrs. ROBERT DOUGLASS and

"DAVID E. BEMAN, *Augusta, Georgia.*"

The parties, in pursuance of said contract, on said 1st day of January, 1855, took charge of the mails and commenced carrying them, in pursuance of said contract, from Kingsville, South Carolina, to Augusta, Georgia, and carried them daily each way, as appears from the testimony, until the 15th day of January, 1855, inclusive. The testimony clearly shows that as soon as the contract was made the claimants made large contracts for horses and coaches, but that the time was so short they were unable to procure the proper coaches by the 1st of January; and that for the purpose of taking charge of the mails and complying with the contract, the claimants made a temporary contract with the South Carolina Railroad Company to carry the mails daily each way until their coaches were ready, and agreed to pay said railroad company at the rate of \$237 50 per mile, the distance being one hundred and seventeen miles. The testimony further shows that the mails were regularly carried daily each way, and in a good manner, and to the entire satisfaction of postmasters and persons interested; whilst the testimony also shows that prior to the time the complainants took charge of the mails, the said South Carolina Railroad Company, by reason of a misunderstanding between the company and the Post Office Department, the mails were very irregular and unsatisfactory to the postmasters and community, and that there was much complaint. The testimony further shows that the reason of the said difficulty between the Post Office Department and the South Carolina Railroad Company was, that the company wished to drive the department to the necessity of paying an extravagant price for carrying the mails; and in order to bring that object about, the company gave the department notice that on the 1st day of January, 1855, they would throw down the mails; and the department, rather than do that, sent for and made the contract with the complainants, which had the effect of bringing the railroad company to *terms*; and that the company soon afterwards contracted with the department to carry the mails for \$227 50 per mile, being less than the department was paying complainants; whereupon the department, without any notice to the petitioners, took the mails from them, and again gave them to the railroad company, much to complainants' damage.

The committee are of the opinion that, by the terms of the contract, Douglass & Beman had the right to carry the mails either in coaches or four-horse wagons, *or by the best mode adapted to the route*; and that by their having them carried on the railroad, *was the best mode adapted to the route*; and that they did not thereby violate their contract, or any part of it, and for the proof of this the committee refer

to the letter of the Postmaster General, of date March 14, 1860, to this committee, which was in answer to a letter addressed to him, February 29, 1860, by order of said committee, on this subject. In answer to the first question thereto, he says: "The department had a difficulty with the South Carolina Railroad Company prior to 1st of January, 1855, respecting the rate of compensation for mail service on a portion of their road; the company demanding higher pay than the department felt free to allow. In consequence, the company abandoned the service, and the department accepted an offer of Messrs. Douglass & Beman to transport the mails from Kingsville, South Carolina, *via* Columbia, South Carolina, to Augusta, Georgia, and back, daily, in coaches, wagons, or other adequate mode of conveyance, from the 1st of January to the 30th of June, 1855, inclusive, at \$300 per mile per annum, with the understanding that if the service should be discontinued before the 30th of June, 1855, \$7,500 extra pay should be allowed. This was designed, of course, to indemnify them for any loss they might incur by having stock thrown on their hands by the discontinuance of the service before the expiration of the prescribed term. But a short time elapsed before the department became apprised that instead of carrying the mail from Kingsville, *via* Columbia, to Augusta in coaches, &c., as prescribed in their proposal, Messrs. Douglass & Beman had procured the services of the railroad company to run from Kingsville to Augusta direct. This proceeding, in direct violation, as it was, of the understanding had with the parties, and a palpable departure even from the letter of their proposal, led the department to despair of success in its efforts to procure such a substitute arrangement as might enable it to dispense with the services of the railroad company, or of reaching a more favorable result by further negotiation, and it consequently felt obliged, by the pressing necessities of the case, to yield to the company's demand for first class pay on the branch road to Charleston, and ordered a contract with them accordingly." From this statement, in this part of the Postmaster General's letter, the committee are of the opinion that the complainants were fulfilling their part of the contract when it was taken from them. The matter of complaint by the department seems to be because the mails were not carried *via* Columbia, but were carried direct from Kingsville to Augusta. It will be seen by the contract that Columbia is not mentioned in it, but that the complainants were directed to carry the mails from Kingsville to Augusta, which was done. It is admitted by the department that the sum of \$7,500 was put into the contract to indemnify the complainants against the loss of having stock on hand if the contract should be taken from them before the expiration of the term. The committee, therefore, infer that the department had some hopes at the time that the railroad company would be brought to terms, which was the result. The testimony shows that the complainants had made large contracts for horses and coaches to be used in transporting the mails. In the balance of said Postmaster General's letter he gives it as his opinion that the letting of the contract to complainants had no influence in bringing the railroad company to terms, and that they are not entitled to relief, &c. In view of all the facts and circum-

stances of the case, the committee do not think it material to decide whether it did have that effect or not; the contract and order of the Post Office Department is direct, and expresses what it means, and not having been violated by the complainants, the committee have decided that the complainants are entitled to relief in this, to wit: *pro rata* pay for the fifteen days, amounting to \$1,287 50, and the said sum of \$7,500, making \$8,787 50; and the committee report a bill to that effect, and ask that it do pass.